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ARTICLES:

(1) Political column by Yoichi Kato, editorial writer: Gaps in political biorhythm and policies of DPJ and Obama administration

ASAHI (Page 15) (Full)
August 24, 2009

With the arrival of new U.S. Ambassador to Japan John Roos in his post, the lineup of the Obama administration's Japan policy team has now been set. Looking over the White House, the Department of State, and the Department of Defense, the team, made up of well-known practical persons affiliated with the Democratic Party, is quite strong.

When I met some of them, I felt their strong enthusiasm for easing the strains in the relationship between Japan and the United States that had developed during the closing days of the Bush administration over the U.S.'s delisting of North Korea as a state sponsor of terrorism.

In Japan, the possibility of a change of government has moved closer to reality. Both Tokyo and Washington appear to be ready for "making a fresh start." However, it seems that it will be difficult for the two countries to return to the starting point because there remain two large gaps in the positions of the two countries.

One of the two gaps is a difference in political biorhythm.

The U.S. administration launched an overall review of the U.S. diplomatic and security strategies immediately after its inauguration. The Obama administration is trying to recreate the

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East Asia Strategy Report (EASR), which was first set up by the Clinton administration. The Obama administration plans to complete a new EASR by early next year.

However, Tokyo is unlikely to act in concert with Washington. Japan is scheduled to compile a new National Defense Program Outline by the end of the year. If an administration-led by the Democratic Party of Japan (DPJ) is inaugurated, there is a rumor that the compilation of the new National Defense Outline will be delayed for one year. The U.S. side reportedly was informed by sources familiar with the DPJ that until the party wins a single-party majority in the Upper House in next summer, it will be unable to do full-scale policy making.

In next summer, the United States will enter an inward-looking mode an eye on the mid-term congressional elections in the fall. The political situations of the two countries will not get along this year and next year.

The other gap is in the contents of the alliance policy.

Washington wants Japan not to refer to such core issues as the U.S. Status of Forces Agreement (SOFA) and an agreement on the realignment of U.S. Forces Japan that consist the bases of the bilateral alliance. The U.S. side has warned that the USFJ realignment agreement is like building blocks in that if you touch one issue, the whole agreement could collapse. This has not changed even under the Obama administration.

The U.S. administration is very much concerned because the DPJ, however, asserts that it will review the USFJ realignment agreement. Although the DPJ uses a soft expression in its manifesto for the Aug. 30 House of Representatives election, DPJ President Yukio Hatoyama stated on the relocation of the U.S. Marine's Air Station Futenma in a party-heads debate on Aug. 17: "We have no intention to alter our basic position (of seeking the relocation of Futenma out of Okinawa)."

Support ratings for the Obama administration have dropped due to its medical insurance reform problem. The U.S. government expects Japan to become a partner able to increase policy resources by bringing about diplomatic achievements. It does not want a negotiator that eats up policy resources by "realigning" the USFJ realignment. Amid the growing possibility of the DPJ assuming the reins of government,

some U.S. administration officials are perplexed at the possible birth of a DPJ government and some have given up hope.

(2) Japan needs comprehensive foreign policy strategy

YOMIURI (Page 11) (Full)
August 22, 2009

Akihiko Tanaka, professor at the University of Tokyo

The world is at a crossroads. U.S. power is declining, while China is making its presence increasingly felt. The war against terror continues, while the nuclear threat is growing. Which way should Japan go as the old order is shaken and the balance of power shifts? How well can the foreign and security policies of the various political parties respond to fresh challenges? -- Ryuichi Otsuka, a member of the editorial board.

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(Ryuichi Otsuka spoke with two experts--Akihiko Tanaka and Yukio Okamoto--and compiled their comments. Prof. Tanaka's comments appear below; Mr. Okamoto's are found in the following article.)

The world is experiencing a complex crisis. We are still mired in the financial crisis precipitated by the collapse of Lehman Brothers last September, while the threat of terrorism since 9/11 is still with us. The situation in Afghanistan, a hotbed of terrorism, is also serious. North Korea's nuclear weapons constitute a direct threat to Japan.

Structurally speaking, the world is heading toward a redistribution of power. While America will probably continue to play a leading role, China, India, and other newly emerging economies will play growing roles. A truly multipolar era is arriving -- a world in which the U.S., China, India, and West Europe will compete on a similar scale is approaching.

The challenge for Japan is that on its present scale it will no longer be able to compete. At the end of the Cold War Japan possessed economic power that posed a threat to the U.S. There was a lot of talk about the absurdity of not wielding political power befitting such economic power. That Japan deserved to hold political power equivalent to its economic power was advanced as an argument for its permanent membership in the UN Security Council (UNSC).

In a situation where scale is no longer what counts, how should Japan make its presence felt and protect the interests of its citizens? How should it deal with China's out-sized presence? What should it do not to be squeezed between the U.S. and China? Japan is facing ever more difficult problems. It is not enough to think of foreign and security policies in conventional terms, such as abiding by a pacifist line or prioritizing the Japan-U.S. alliance.

However, neither the Liberal Democratic Party (LDP) nor the Democratic Party of Japan (DPJ) has been able to put forward a vision of how Japan can project its presence in a situation where relatively it is shrinking in scale. For sure, specific foreign policy issues are important. However, there is no over-arching foreign policy strategy transcending these issues.

The two parties' collection of policies gives the impression of turf battles among the various ministries. For the LDP, policies are divided into foreign affairs and security, resources and energy, and the environment and global warming. This sounds like the old policy speeches of the prime ministers. While campaign pledges do ultimately have to be backed by fiscal funding and, in a sense, their parcelling among different ministries is, in a sense, inevitable, the parties should give us the whole picture of the future of Japan that they are working for, a vision that encompasses all the pledges.

The urgent issues for the people are those related to allaying their concerns about matters directly affecting their livelihoods, such as the economic crisis, employment, and pensions. All parties have presented their solutions. That is well and good, but Japan's power

will continue to decline if it does not formulate a policy for survival amid the seismic shifts in the international community.

In a book he published when he was foreign minister Prime Minister Taro Aso wrote, "Japan can do it" and "Japan is an incredible country." However, absent from this election has been the message

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that Japan can remain a vibrant proactive country in the world community. The same is true with the DPJ.

I believe Japan has a lot of potential. For example, today there is unprecedented appreciation of Japanese culture.

It is fine for the DPJ to criticize the construction of a national media art center dubbed the "anime hall of fame" as a "state-run manga caf." But the novels of Haruki Murakami, the anime of Hayao Miyazaki, and Japanese cuisine are not concrete things. So the argument that there is no need to build infrastructure is valid. However, if infrastructure is not the answer, what does the DPJ propose to do to make full use of different forms of Japanese soft power and enhance Japan's presence?

I would like to see more constructive discussions of how to make good use of Japan's vitality, as well as a vision for world leadership that is not just limited to culture.

(3) Do not drop out from the solidarity of nations

YOMIURI (Page 11) (Full)
August 22, 2009

Yukio Okamoto, foreign affairs commentator

Japan should not drop out from the global "mutual-aid society" conducting the war against terrorism. A typical example is the war in Afghanistan. The U.S. is not the only target of the international terrorist organization Al Qaeda. That is why the international community is united in this fight. In a peaceful expanse of sea Japan is providing fuel to multinational forces patrolling the Indian Ocean, and with that, it is barely able to be counted as a member of the mutual-aid society. It is now facing a decision on whether to continue this minimal operation or to take a further step and dispatch ground troops, which involves greater risk, in answer to the call of the international community. It also needs to stop addressing this matter with makeshift special-measure laws.

As for relations with the U.S., the Japan-U.S. alliance has been instrumental in ensuring Japan's security and prosperity. The overall foreign policy of the Liberal Democratic Party (LDP) has been correct.

In security policy there are few options. Actually, there are only three: unarmed neutrality, armed neutrality, and alliance. In theory collective security is another option, albeit an unlikely one among East Asian countries with diverse political systems, military capabilities, and basic values.

Which of the three options should Japan select? Only a small percentage of people support unarmed neutrality. Armed neutrality, in the absence of a dramatic reinforcement of the Self-Defense Forces (SDF), as well as nuclear armament, is not viable vis-à-vis neighboring countries. That leaves only alliance. A process of elimination winnows the field of possible allies to only one with which Japan shares the common values of freedom and democracy - the United States.

Even the Democratic Party of Japan (DPJ) affirms the Japan-U.S. alliance is the basis of foreign policy. An alliance brings intrinsic rights and duties. Article 5 of the security treaty

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establishes the defense of Japan as the United States' duty, while Article 6 stipulates the provision of military bases is Japan's duty

in return. These two reciprocal obligations are a set. Japan cannot request the unilateral easing of its obligation. There can be no pick and choose here.

The DPJ must quickly come up with a security policy rooted in reality. If it takes over the reins of government, it will have to deal with U.S. President Barack Obama's visit to Japan in November and the drafting of the Mid-Term Defense Buildup Program and the National Defense Program Guidelines (NDPG) in December, which will determine the direction of defense policy. Any mistakes will be irreversible.

DPJ President Yukio Hatoyama has also said that he will seek an "optimum distance" from the U.S., but the U.S. is eager to strengthen its ties with China. If Japan indicates a desire to weaken relations with the U.S., it will then approach China without any qualms. The U.S. and China may proceed to make decisions for Asia without heeding Japan's wishes.

I am also dissatisfied with the LDP. Japan is the only industrialized country that has been reducing its defense spending year after year. I think this is irresponsible in light of North Korea's development of nuclear arms, and China's modernization of its nuclear arsenal and building of a blue water navy. The LDP has given little importance to national defense.

The budget for official development assistance (ODA), which is essentially a tax paid as a member of the international community, has been reduced by over 40 percent from its peak. China has dispatched 2,000 troops for UN peacekeeping operations (PKO) while Japan has only sent 40. Does it want to be left out of the mutual-aid society and live in isolation?

On the other hand, it is also important to improve relations with Asia. Will it be possible to achieve reconciliation with China and South Korea through a process similar to that between Germany and France? In this I pin my hopes on the DPJ. The interpretation of history is at the root of this issue. If the DPJ takes over the administration, I would like to see a blueprint of its plans for reconciliation with the Asian countries.

(4) Viewpoint in making selection (Part 3): Discuss national security issue independently

MAINICHI (Page 1) (Full)
August 21, 2009

By Kenji Bando, chief foreign news editor

"A global economic crisis brings about a serious outcome geopolitically," says Roger Altman, who served as the assistant secretary of the U.S. Department of State under the Clinton administration, in the latest issue of the bimonthly magazine Foreign Affairs. He is close to the administration of President Barack Obama.

Altman noted in the article titled, "Recession of globalization": "Japan, the U.S. and other industrialized countries in Europe have received the most serious blow, posing doubts over the liberalistic economic models. China, whose economy returned to a recovery track

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most quickly, has survived in an age of competition. We are entering a new age in which there is no leader, emerging from the U.S.-led unipolar age in the post-cold war."

The Obama administration was inaugurated under the slogan of "change." The Bush Republican administration lost public support due to the Iraq war. Given the U.S.-triggered financial crisis getting more serious, change from a long-term perspective is now being sought.

On foreign and national security policies, the Obama administration has begun to place emphasis on favoring diversity, instead of imposing its values on other countries. This policy switch is reflected in its priority to the framework of the Group of 20 (G-20)

over that of the Group of Eight (G-8), its willingness to hold talks with Iran and North Korea, as well as its emphasis on U.S.-China strategic talks.

Next year marks the 50th anniversary of the revision of the U.S.-Japan Security Treaty. A response to the Japan-U.S. security arrangements is a campaign issue for the upcoming Lower House election in Japan. In dealing with North Korea's development of nuclear weapons and China's military expansion, cooperation between Japan and the U.S. is indispensable. Washington has a sense of vigilance against the Democratic Party of Japan for its stance of favoring independence and equality.

However, the U.S. has begun to give priority to cooperation in dealing with global-scale "new threats," such as climate change, infectious diseases, and energy shortage, in addition to traditional cooperation in the security area, centered on military power. Joseph Nye, Harvard University professor knowledgeable of Japanese affairs, emphasized: "In new areas, Japan is a more equal partner."

The U.S. is hopeful of acquiring Japan's advanced technologies to realize President Obama's "Green New Deal" designed to foster new industries in the environment sector. New U.S. Ambassador to Japan John Roos, who arrived in Japan to take up his new post on Aug. 19, worked as a lawyer in Silicon Valley, so he is well-versed in new energy development.

The U.S. probably is aiming to restore its leadership by regenerating its comprehensive national power, while ignoring slight differences and picking other countries' brains and power.

As shown by Obama's call for the goal of a world free of nuclear weapons, the U.S. has gradually changed its view about national security. Japan remains unable to come up with measures to cope with problems caused by its graying society. This inability, rather than the restrictions on its military operations, is the main cause of Japan's limitations.

We are no longer in an age in which Japan can enjoy security and prosperity only with dependence on the U.S. and the Japan-U.S. security arrangements. Discussing security issues in a hasty way must be avoided, but it is necessary to consider independently future options for Japan-U.S. cooperation and its security system in accordance with the changes in the international environment and the emergence of new threats. The campaign for the upcoming Lower House election is the starting point of such an effort.

(5) Manifestos for 2009 Lower House election: Focus for choosing the

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party to take on reins of government; Pressure from left prevents DPJ from coming up with concrete policy; LDP gives up specifying right to collective self-defense in its manifesto

SANKEI (Page 3) (Abridged)
August 24, 2009

Yoshiki Ozaki, Akajima Shiho

The Korean Peninsula situation has begun showing some signs of change due to such events as the recent visit to North Korea by former U.S. President Bill Clinton and North Korea condolence delegation to South Korea to pay respects to the late former President Kim Dae Jung. Meeting with South Korean President Lee Myung Bak on August 23, the North Korean delegation conveyed to him North Korean leader Kim Jong Il's message on promoting cooperation between the South and North. But if talks do not move forward as Pyongyang expects, the North might conduct another nuclear test and launch ballistic missiles. The abduction issue and the development of ballistic missiles and nuclear weapons can continue looming over as "clear and present dangers."

On June 18, a meeting took place between Democratic Party of Japan (DPJ) executives and representatives of the Association of the Families of Victims of Kidnapped by North Korea (AFVKN) and the National Association for the Rescue of Japanese Kidnapped by North

Korea (NARKN) at DPJ headquarters in Tokyo's Nagatacho. At the meeting, AFVKN Secretary General Teruaki Masumoto, who was visiting there to urge the DPJ to specify in its manifesto (campaign pledges) its determination to find a solution to the abduction issue, complained about the existence of some DPJ lawmakers who think Japan must not take steps that irritate North Korea. In response, Hatoyama said before Masumoto and Sakie Yokota, the mother of Megumi Yokota: "True, there are such people, but they are a minority. They cannot take on important positions under my responsibility. North Korea requires pressure."

"This means Mr. Hatoyama will stifle individuals with ties to North Korea," a mid-level DPJ lawmaker explained. In fact, the DPJ vows in its manifesto to make utmost efforts to resolve the abduction issue when it takes over the helm of government. To a person well-versed in the abduction issue, the fact that Hatoyama acknowledged the existence of pro-DPRK forces in the DPJ is more surprising (than its stance on the abduction issue itself).

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Atsuhiko Isozaki, a lecturer at Keio University who is well-versed in North Korean affairs, indicated that because the DPJ includes many former Japan Socialist Party ranks, it has not come up with concrete policy toward the North.

On Aug. 14, the Nodong Sinmun, the Korean Workers Party organ paper, expressed the following view while pointing out the DPJ's strong likelihood to take over the reins of government in the Aug. 30 House of Representatives election: "North Korea must closely monitor whether the DPJ heads for a new direction or follow the same direction as the LDP." In other words, Pyongyang is going to simply watching a Hatoyama administration's moves.

At a party-head debate held on Aug. 12, Hatoyama expressed a plan to take necessary legislative measures to inspect cargos on vessels

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connected with North Korea. The LDP manifesto, too, vows to take legislative measures. There is a strong possibility that the law will be enacted during the extraordinary Diet session in the fall. Nevertheless, if North Korea plays up a "dialogue mood," pro-DPRK forces in the DPJ might gain momentum.

The question of altering the government's interpretation of the right to collective self-defense is unavoidable in dealing with the military threat from North Korea.

At a press conference on Aug. 4, Hatoyama expressed a view dismissive of changing the government's interpretation of the right to collective self-defense that Japan possesses the right under international law but is not allowed to exercise it under its Constitution. The United States can defend Japan by exercising its collective defense right. But in compliance with the government's interpretation of the right, Japan can neither defend U.S. warships from ballistic missile attacks in the high seas nor intercept missiles targeting the United States.

If Self-Defense Force (SDF) vessels just look on U.S. warships under attacks, the Japan-U.S. alliance will collapse, let alone the DPJ's pledge to build a close and equal relationship with the United States. Hatoyama simply said, "We would like to begin scrutinizing our thinking."

The LDP manifesto that reads, "We will take necessary security steps," leaves some room for making changes to the government's interpretation. But as seen in Policy Research Council Senior Deputy Chairman Hiroyuki Sonoda's explanation that some LDP lawmakers had called for the including of the right to collective self-defense in its manifesto, while some others raised questions about directly specifying the matter in the manifesto, the party discussion experienced complications.

Originally, the LDP had planned to sort out the relationship with the Constitution, including the question of the right to collective self-defense, in compliance with Prime Minister Taro Aso's strong

wishes. But that has been pushed back by cautious views in the party.

At a party-heads debate on Aug. 17, Prime Minister Aso underlined the need to strengthen the security foundation in connection with the collective self-defense right apparently in a bid to make a clear distinction with the DPJ.

But the party has yet to deepen its discussions due party because its coalition partner, New Komeito, is clearly opposed to the exercise of the collective defense right, even though it advocates the steady implementation of a missile defense (MD) system.

(6) Column article: Using ODA to control economic bubble

SANKEI (Page 7) (Excerpts)
August 24, 2009

Hideo Kesen, commentary writer

The Ministry of Foreign Affairs (MOFA) in late July reorganized its International Cooperation Bureau, which is responsible for official development assistance (ODA). The structure that divided into sections yen loans, grants, and technical cooperation was changed

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into a system that could strongly respond to the needs of regions or specific countries.

MOFA's thinking is that each developing country has different aid needs, and determining the best aid package by country would make ODA more efficient.

What is ODA for in terms of its definition? It is for the sake of Japan's "national interest," in the first place. Needless to say, the government should aim to provide ODA that will contribute to the national security and peace of mind. The international community operates under the principle of give and take. It is also important to understand that "charity is not good for its recipient." Furthermore, in terms of the international economy, ODA contributes to order and stability in the flow of money.

Almost one year has passed since the financial crisis that started in the U.S.. Many analyses and studies have been made about the cause of this crisis. Many experts cite the disequilibrium in the flow of money as the cause. In other words, while you have countries like the Arab states and Russia exporting oil and China exporting goods which enjoy substantial balance-of-payment surpluses, there are countries like the U.S. that have neglected its balance-of-payments deficits for years. This resulted in surplus money in the world inundating the U.S., causing a financial bubble.

Although the newly emerging economies are growing rapidly, the gap between rich and poor is considerable. Since the social security systems and medical services are inadequate, people who feel insecure about their future tend to increase their savings. Since there is little capacity to absorb investment based on real domestic demand in these countries, they headed for the U.S. through banks and other institutions. However, such investments resulted in losses and triggered a worldwide recession. In light of this sad reality, one lesson learned is that ODA should be used to improve the international balance of payments in the future.

Aid for the African states with balance-of-payment deficits can be used to achieve balance-of-payment surpluses through the process of building domestic infrastructure, poverty reduction and increase in domestic savings, fostering of industries with growth potential, and increasing exports.

For the newly emerging economies enjoying surpluses, ODA can be used to create the environment for investments to expand domestic demand through assistance for legislation of domestic laws and relaxation of regulations and fostering domestic industries with technical cooperation, in order to help reduce the surpluses.

The world is expanding fiscal spending and easing monetary policies

in its attempt to extricate itself from the recession. Excess liquidity has the potential of causing another bubble. The use of ODA to correct the disequilibrium in international balance of payments can be expected to help prevent the next worldwide bubble to a certain extent.

(7) Tokyo Shimbun pre-election analysis: DPJ likely to win over 300 seats, LDP about 100

TOKYO SHIMBUN (Top play) (Slightly abridged)
August 23, 2009

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The Tokyo Shimbun conducted interviews and an independent telephone poll on Aug. 22 ahead of the 45th House of Representatives election to be held on Aug. 30. The results showed that the Democratic Party of Japan (DPJ), the major opposition party, is likely to garner 300 seats, perhaps as many as 320, substantially more than the number that would give them a majority, 241. That would represent a quantum leap above its pre-election strength of 115 seats. In contrast, the ruling coalition of the Liberal Democratic Party (LDP) and the New Komeito is certain to fail to secure a majority, with the former suffering a major setback from its pre-election strength of 300 seats.

In the single-seat constituencies, the DPJ is certain to secure 180 seats and has a good chance of winning an additional 50 seats. The DPJ has the upper hand not only in urban areas but also in rural areas. In the proportional representation segment as well, the DPJ is expected to secure 90 seats, a majority.

Meanwhile, the LDP is expected to win a total of 100 seats -- 50 seats each in the single- and proportional-representation segments. The LDP is fighting an uphill battle both in urban areas, where it demonstrated overwhelming strength in the previous 2005 election, and in the countryside, its traditional base of conservative support. Then again, it is possible for the LDP to regain lost ground and win over 150 seats.

As for the New Komeito, which has fielded eight candidates, only one is certain to win a seat. Chances are high that the party will fail to maintain its pre-election strength of 31 seats, even including the rock-solid proportional representation segment.

The Japan Communist Party may win more than its pre-election nine seats, on the strength of a solid performance in the proportional representation segment. The Social Democratic Party and the People's New Party will be hard pressed to keep their respective nine and four seats.

Your Party is certain to win one seat. The prospects for Kaikaku Kurabu (Japan Renaissance Party) or the New Party Nippon (NPN) to secure seats are nil.

The situation could change, as 36.3% and 32.8% of respondents in the telephone survey said they had not made up their minds regarding the single-seat segment and the proportional representation segment, respectively.

DPJ ahead of other parties in 21 Tokyo districts

The DPJ has fielded candidates in 22 constituencies in the 25 single-seat districts in Tokyo. It is leading in 21 constituencies. There is a possibility that the DPJ, which won only one seat in the previous election, will achieve an overwhelming victory, outdistancing the LDP.

In the Tokyo bloc (17 seats) as well, the DPJ is likely to garner nine proportional-representation seats, a substantial increase from the six seats it won in the previous election. The LDP, which won seven in the last election, is expected to win no more than five. Following (its victory) in the Tokyo assembly election, the DPJ continues to sail with the wind at its back.

The situation could shift, as nearly 40% of respondents remain

undecided regarding the single-seat segment.

The LDP is enjoying a lead in the 1st, 2nd, 3rd, 6th, 7th, 12th, 14th, 15th, 18th, 19th, 21st, 22nd, and the 24th districts. Meanwhile, the LDP has the upper hand in the 8th, 17th, and the 25th constituencies.

Thirty-eight percent of respondents said they would vote for the DPJ in the proportional representation segment, 20.7% for the LDP, and 6.2% for the New Komeito. Over 90% of respondents expressed interest in the upcoming election.

(8) DPJ hastily adding more substance to plan for new administration

NIKKEI (Page 2) (Slightly abridged)
August 23, 2009

The Democratic Party of Japan (DPJ) is hurriedly adding more substance to its plan for a new administration included in its campaign manifesto (policy platform) for the Aug. 30 House of Representatives election. The major focus of attention is on the authority and membership of the new organizations proposed in the manifesto, such as a national strategy bureau and an administrative renovation council. These are core organizations to powerfully promote policymaking under politicians, but many points have not yet been clarified. Since the DPJ needs to give consideration to the Social Democratic Party (SDP) and the People's New Party (PNP), with which the DPJ has pushed ahead with election cooperation, senior DPJ members are working out the details of the plan in a cautious manner.

Focus on power and lineup of proposed new organizations

DPJ President Yukio Hatoyama said that he would pick the cabinet minister regarded as most deeply versed in policies for the top post of the national strategy bureau tasked with setting budget outlines and foreign policy. The party also plans to appoint officials responsible for administrative work from among both bureaucrats and private citizens. There is also a proposal to assign 30 persons as members of the strategy body.

If the main opposition party takes over the reins of government, the party will create the new body in its first cabinet meeting and set it in motion when its government is inaugurated. But the party intends to delay legal preparations to grant the new body with powerful authority until after the start of the next extraordinary Diet session in the fall.

A cabinet members' council, another proposed new panel, would discuss key issues prior to the first cabinet meeting. For instance, the DPJ would instruct the Finance Ministry to compile a budget in accordance with the budget outlines set by the national strategy bureau. The cabinet ministers' council would lay down a budgetary plan, and the plan would be adopted in a cabinet meeting.

Another key element is an administrative reform council tasked with exposing wasteful spending and securing the fiscal resources to finance the policy measures to be adopted by the new administration.

Hatoyama plans to bring some local government members into the

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national strategy bureau. A plan has also been proposed to powerfully promote decentralization reform under the prime minister by integrating the functions of the existing Decentralization Reform Committee and the Decentralization Reform Headquarters.

The DPJ has yet to present details about these new organizations, such as the form and also the composition and selection criteria for their members.

If a change of government takes place, the new administration will have to complete the formation of its cabinet and negotiations on a coalition government by the middle of September, with a view to the UN General Assembly in late September and other diplomatic events. There is concern that hastily created organizations could hinder the handling of the government. In addition, party members might be abuzz and the atmosphere of tension in the election campaigning could slacken.

A senior party member told Hatoyama: "There are members who are talking about personnel appointments in an elated mood."

Regarding a plan to establish a government independently by the DPJ, PNP Acting President Shizuka Kamei commented: "The DPJ must discuss what to do about the authority and contents (of the new organizations) with the PNP and the SDP. Even if a coalition government is established, it would come to a standstill (if these discussions are not conducted).

(9) 2009 Lower House election: Struggle for power as "Hatoyama government" gets ready to launch; Shadow of Ozawa flickers (last installment)

SANKEI (Page 3) (Full)
August 20, 2009

The Lower House election was publicly announced on August 18. Democratic Party of Japan (DPJ) President Yukio Hatoyama kicked off his campaign in Nanba, Osaka, and then with vigor, quickly visited five prefectures, including Kyoto and Aichi prefectures. He then visited Yotsuya, Tokyo, as the final place that day to deliver an impassioned speech, his face flushed with excitement.

"For your livelihoods and futures, Japan will not last unless a change of government comes about. Please help the DPJ (do that)."

As the dominance of the DPJ is being reported, the possibility of the inauguration of "Prime Minister Hatoyama" is becoming increasingly likely. However, how effective the party's highlighted pledge for politician-led handling of government? There is a big gap over security and foreign policies between the DPJ and the Social Democratic Party and the People's New Party. The term "change of government" is moving ahead, while the outline of the government is still vague.

The DPJ has had troubles in compiling its proportional representation list until the night of August 17. DPJ Acting President Ichiro Ozawa called former Lower House member Yukichi Maeda, whose name was on the recommendation list submitted by the DPJ Aichi prefectoral chapter.

"Do not run for an election this time, you will have another chance."

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Maeda had to leave the DPJ in October 2008 to take responsibility of receiving donation from a pyramid selling scheme, and he had announced that he would not run for the Lower House election. While he was a DPJ lawmaker, he served as the secretariat of "Isshin-kai," Ozawa's political group. He was known as an Ozawa close aide within and outside the party.

The DPJ had difficulties in coordinating the order of the DPJ's candidates in the proportional representation constituency, because election campaign is going in favor of the party and the possibility became high that a candidate only running for a proportional representation constituency and listed lower in the list and not likely to win at normal times might win this time. If they know they cannot win from the beginning, they can give it up. However, they now have a possibility of winning, so there were fierce battles among the candidates listed low.

"Ozawa is the only one who can settle the issue by force" (according to a DPJ official).

Ozawa was given a free hand in coordinating the list. As a result, the "shadow of Ozawa" loomed behind the list announced on the morning of August 18.

In fact, a candidate who is close to Ozawa and decided to be on the list was rejoiced at the surprising news, saying, "It came as a surprise to me. I have to start preparing for the election now." It implies that the list was made at the initiative of Ozawa. An Upper House member from the Hokuriku-Shinetsu bloc had to explain to local supporters, because they asked about what has caused the difference in the list's order.

A candidate from the Minami-Kanto Bloc openly expresses discontent.

"There are many mysteries about the list. Everything might be 'Ozawa Brand.'"

"All DPJ candidates in the prefectoral constituencies will win." "If the 'DPJ government' is inaugurated, I will join the Cabinet."

A DPJ senior official who repeatedly made such remarks during an election campaign was singled out and criticized at a meeting of the three top DPJ officials, including President Hatoyama and Secretary General Katsuya Okada, held at the party headquarters on August 3. One of the attendees warned that "Is not the election campaign coming loose?" As the attendee is concerned, DPJ's preparedness for election is, in fact, gradually slackening.

However, the future of the DPJ is not as stable as to be intoxicated with the atmosphere of "easy victory." Hatoyama as well as Ozawa has had a political donation issue, and there are many pitfalls ahead.

"Mr. Hatoyama often sinks into serious thought, so do not give him any strange information."

Ozawa made the order to party officials in mid-August. He is likely to have worried that Hatoyama might distress himself by the issue of falsified report on political funding.

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Hatoyama might be able to get the issue out of his mind during the election campaign, but the falsified report issue will haunt the DPJ even after the Lower House election. If the DPJ takes control of the government, the "opposition Liberal Democratic Party" will be sure to take up the issue in the extraordinary election scheduled to be convened in fall.

"I would like to take power and restore confidence in politics," said Hatoyama in a speech in Hachinohe, Aomori Prefecture on August 19. If he topples by his own "money and politics" issue, the DPJ will lose public expectation for the "DPJ government" at once.

(10) Escalating nuclear power generation business: Obtaining uranium is top

YOMIURI (Page 8) (Full)
August 21, 2009

"It is important to expand and strengthen business areas upstream." President of Toshiba Corporation Norio Sasaki stressed at a management briefing on August 5.

If one portrays the nuclear power generation business as a river, construction of a nuclear power plant, which is the center of the business, would be the middle part of the river. The process of mining uranium and producing fuel for nuclear power plant would be the upstream part and the lower part of the river would be the recycling of spent nuclear fuel. Nuclear power plant builders, who want to secure the upstream part of the business, are rushing to secure uranium.

Toshiba Corporation obtained an interest in a uranium mine in Kazakhstan, which has the second largest uranium reserve in the world. Toshiba also capitalized on a big Canadian uranium development company in February. Following the conclusion of the Japan-Russia Nuclear Energy Agreement in May, Toshiba started discussion with a Russian national nuclear company on using stored enriched uranium for business. It is a strategy to enrich uranium, mined in Kazakhstan, in Russia, which has the highest capability in the world.

Mitsubishi Heavy Industries will use the group's organizational strength. It set up a joint venture company with Mitsubishi Material Corporation, Mitsubishi Corporation, and French Areva to design, produce, and sell fuel on a consistent basis.

Hitachi has been cautious about independently proceeding upstream, as (Vice President Hiroaki Nakanishi) said, "(Hitachi) has established a strong relationship with U.S. company, General Electric (GE)." However, Hitachi tied up with Cameco Corp, the world's largest uranium production company, and secured a uranium ore supply route.

Companies are rushing to move upstream, because it is viewed that a "business, which has a mixture of uranium procurement and construction of a nuclear power plant will become mainstream" (Tokyo Foundation researcher Taisuke Abiru).

It is not easy for emerging countries, which have no know-how about nuclear power generation, to procure fuel on its own. Whether to be able to establish a consistent system from (procurement of) fuel to

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construction of (nuclear power) plant is the key to win in competition for orders.

It is said that uranium reserves will not dry up for another century. It is abundant (amount of reserve) at this point compared with 40 years of oil and 60 years of natural gas. However, if a rush of nuclear power plant construction continues, the uranium supply could dry up. A sense of crisis is also intensifying the competition to secure uranium.

Meanwhile, (companies') approach to the downstream part of the business is lagging behind, compared to upstream efforts. A nuclear fuel cycle is indispensable for a long-term stable operation of nuclear power plant. It is also important from the viewpoint of nuclear nonproliferation. Only a limited number of countries have the technology (of recycling nuclear fuel). It has been becoming a global challenge.

Japanese companies pooled their technologies and built a nuclear fuel-cycle facility in Rokkasho Village in Aomori Prefecture. However, due to a series of mishaps, when the facility will start operation is unknown. Joint efforts by public and private sectors will be the key for Japanese companies to become global as comprehensive nuclear-power plant builders.

(11) Chinese government rejects MADF vessels' visit to Hong Kong, possibly because of Uyghur issue

YOMIURI (Page4) (Slightly abridged)
August 22, 2009

The Chinese government has rejected a Japanese proposal for Maritime Self-Defense Force (MSDF) vessels to call at Hong Kong in August or early September, citing scheduling difficulties.

According to the Ministry of Defense and other sources, the MSDF sounded out the Chinese government about a visit to Hong Kong by its training ships Kashima and Shimayuki and its destroyer Yugiri embarking some 710 MSDF officer candidates in all in conformity with an agreement to promote defense exchanges, reached at the Japan-China defense ministerial meeting in March this year. In response, the Chinese side conveyed its rejection to Tokyo via the Japanese Consulate General in Hong Kong earlier this month. Some Japanese observers believe China's rejection of the port call is

connected with the recent visit to Japan by World Uyghur Congress President Rebiya Kadeer, a visit to Japan later this year by former Taiwanese president Lee Teng-hui, and a visit to Japan by the 14th Dalai Lama, the spiritual leader of Tibet.

(12) Rough sailing in selection of FX: ASDF should clarify operational concept

YOMIURI (Page 11) (Full)
August 22, 2009

Hidemichi Katsumata, editorial staff member

The process of selecting the next fighter (FX) for the Air Self-Defense Force (ASDF) is in a state of confusion, and the budget requests for the next fiscal year to be published in late August will not include allocations for the procurement of the FX.

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The selection process started in earnest three years ago, and the ASDF has been eying the U.S.-made state-of-the-art F-22 fighter. One senior ADSF officer confessed that Japan wants the F-22 "very badly." This is because the F-22 has very high stealth performance meaning it is very hard to detect with radar, possesses supersonic cruise capability, and is termed the "most powerful" fighter. However, the U.S. has prohibited its export precisely due to its sophisticated military technology. The U.S. defense budget has also been reviewed in April, resulting in the discontinuation of the production of the F-22.

One would think that the FX selection process was now back at square one, but during his visit to the U.S. in May, Defense Minister Yasukazu Hamada made a request to U.S. Secretary of Defense Robert Gates regarding the export of the F-22. The U.S. Congress also passed a bill on studying the possibility of exporting the F-22. Therefore, the ASDF is not fully resigned to giving up on this aircraft. ASDF Chief of Staff Kenichiro Hokasono stated at a news conference on August 7 that the situation "is not completely hopeless." It is said in the Ministry of Defense (MOD) that "the ministry, including the minister, is in a state of not being able to back down." But is this the best option?

One reason for such doubts is that the ASDF has been unclear about the role of the FX in its future fleet of aircraft.

When the National Defense Program Guidelines were revised five years ago, the ASDF did away with any distinction between the "main fighters," which are meant for anti-aircraft operations, and "support fighters," which are responsible for ground and anti-ship attack, unifying all 260 fighters under the category of "multi-purpose fighters."

After the selection of the FX, the ASDF's main fighter F-15 will be become obsolete in over 10 years, and after that, the F-2s will have to be updated. Ideally, along with the selection of the FX, the ASDF needs to clarify its concept of operations on the capabilities and operational requirements for its future fighters, then explain the models and number that need to be procured.

Another problem is that little attention is paid to the production and technical base, which is important for the stable operation of the fighters.

There are two ways to import fighters from overseas: licensed domestic production by paying for the patents and designs of foreign manufacturers and import of finished products. After World War II, the ASDF has mostly maintained a system of licensed domestic production for over 50 years, starting with the F-86 fighters.

Two years ago, a U.S. Air Force (USAF) F-15 fighter ruptured in flight, and it took 3.5 months before the USAF could resume operation of the F-15. However, Japanese manufacturers, using technology accumulated through licensed production, were able to pinpoint the cause on their own, and the ASDF resumed the operation of the F-15 only 18 days after the accident. Japanese technicians

involved with licensed production say that "fighters are an amalgamation of advanced technology. It is impossible to maintain the technology without licensed production."

Even if the procurement of the F-22 or the F-35, which is still in the development stage, becomes possible, the method is expected to

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be the import of finished products since these fighters use many top secret technologies. The aircraft itself will have to be sent back to the U.S. every time repairs are required, which means the utilization rate of the fighters will be very low. At the same time, the domestic production and technical base is very likely to be lost.

The important thing in FX selection is how to maintain and improve Japan's technology and development capability when the time comes for the next fighter after the FX. Russia is said to be deploying stealth fighters six years from now and China is expected to do the same in 10 years. By that time, they will be undertaking the development of even more advanced capabilities.

The UK has been eagerly promoting its Eurofighter as a candidate for the FX this time. However, it is not stopping at the Eurofighter and is participating in the joint development of the F-35, adopting an attitude of constantly pursuing the most advanced technology. Japan should learn from this. The MOD should set up a mechanism for integrating continuous research and development with the production and technical base.

(13) TOP HEADLINES

Asahi:

Ruling coalition heavyweights stay in home constituencies to campaign

Mainichi:

LDP steps up criticism against DPJ to overcome inferior position in general election, DPJ guards against letting advantage slip

Yomiuri, Sankei, and Tokyo Shimbun:

North Korean delegation conveys North Korean leader Kim Jong Il's message to South Korean President Lee calling for resumption of dialogue to improve South-North ties

Nikkei:

Lawson, Matsumotokiyoshi eye business tie-up to open new outlets starting next spring

Akahata:

Appearing on NHK program, Chairman Shii calls for shift of weight from business world to household finances, and foreign policy that makes use of Article 9 of the Constitution

(14) EDITORIALS

Asahi:

(1) 2009 general election: Multilayered livelihood support system essential
(2) Disputes and international law: Japan must work for humanitarian causes

Mainichi:

(1) Six days before 2009 Lower House election: One vote carries greater significance
(2) Lower House election: Science and technology-oriented country; Solid research base vital

Yomiuri:

(1) Both LDP's, DPJ's recipes for growth lack punch

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(2) Decentralization: Shift of power requires specific discussion

Nikkei:

(1) Massive chain-store operators faced with three "reductions"

Sankei:

(1) Political parties must pledge to carry out civil service reform from viewpoint of structural reforms

(2) Proposed income indemnity system may run counter to plan to increase farmers

Tokyo Shimbun:

(1) 2009 Lower House election: Improving pension system a top priority

(2) Nikkei Stock Average that has been hovering around 10,000 level must be monitored carefully

Akahata:

(1) Large-firm-oriented policy must be corrected to put more weight on small and medium-sized enterprises

(15) Prime Minister's schedule, August 22

NIKKEI (Page 2) (Full)

August 23, 2009

07:03

Met Cabinet Office Director General Omori at Haneda Airport.

07:31

Departed Haneda on ASDF U-4 multipurpose aircraft.

08:24

Arrived at Kobe Airport. Met with Hyogo Governor Ido.

10:28

Met Sayo Town mayor at town government office.

10:43

Visited shopping mall in front of JR Sayo Station that was affected by torrential rains.

10:48

Returned to Sayo Town government office.

12:05

Met his secretary at Okura Hotel Kobe in Kobe City.

13:27

Delivered stump speech in front of Daimaru Department Store.

14:26

Visited New Komeito candidate's election office in Amagasaki City.

15:01

Visited LDP candidate's election office in Itami City.

15:37-

Gave stump speeches in Osaka City.

17:00

Visited New Komeito candidate's election office in Sakai City.

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18:27 Departed Kansai Airport via JAL 186.

19:16

Arrived at Haneda Airport.

20:02

Arrived at his official residence.

Prime Minister's schedule, August 23

NIKKEI (Page 2) (Full)

August 24, 2009

07:05

Appeared on Fuji TV program at Grand Prince Hotel Akasaka.

08:43

Appeared on TV Asahi program.

11:56

Arrived at LDP headquarters.

13:44 -

Delivered stump speeches in various locations in Chiba Prefecture.

19:11-

Stump speeches in Tokyo.

21:43

Arrived at his official residence.

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